

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 79 – HB 52

March 27, 2013

**SUMMARY OF ORIGINAL BILL:** Establishes the Office of Higher Education Ombudsman within the office of the Comptroller of the Treasury. States the role of this office shall be to assist faculty, staff, and employees in obtaining information about the operations and financial workings of the public higher education system and to provide educational outreach on higher education issues. Requires each public higher education system to appoint a person from existing personnel to serve as a contact person for the Ombudsman. Requires each public education system to provide the Ombudsman with the name of the contact person within sixty days of July 1, 2012, and to notify the Ombudsman within seven business days of the any change in the contact person. Requires the Ombudsman to make an annual report to the Chairs of the Education Committees of the General Assembly of the office's activities, findings and recommendations. Requires a copy of the annual report be provided to the Governor, members of the General Assembly, the President of the University of Tennessee (UT), and the Chancellor of the Tennessee Board of Regents (TBR). Requires the Ombudsman to provide a draft of the report to those affected in the state higher education system; provide them with an opportunity to comment; and include their comments in the final version of the annual report.

Establishes the position of Higher Education Inspector General within the Office of the Higher Education Ombudsman. Requires the Higher Education Ombudsman to function as the Higher Education Inspector General unless the Comptroller finds that responsibilities would be handled more efficiently by two separate individuals. The Inspector General shall examine financial and policy compliance within UT and TBR. Requires the Inspector General to make an annual report to the Chairs of the Education Committees of the General Assembly detailing the Inspector General's activities, findings, and recommendations. Requires a copy of the annual report to be provided to the Governor, members of the General Assembly, the President of the University of Tennessee, and the Chancellor of the Tennessee Board of Regents. Requires the Inspector General to provide a draft of the report to those affected in the state higher education system; provide them with an opportunity to comment; and include their comments in the final version of the annual report.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Expenditures - \$504,300

SB 79 – HB 52

**SUMMARY OF AMENDMENT (005284):** Deletes Section 7 of the bill. Removes the position of the Higher Education Inspector General. Revises the duties of the Higher Education Ombudsman to include, but not be limited to, conducting a policy review that reviews compliance with policies within the state higher education system to determine consistency with the goals of legislation relating to higher education and addressing policy issues referred to the Ombudsman by the Speaker of the Senate and the Speaker of the House of Representatives and other individuals that are designated by the Speakers. Requires the Higher Education Ombudsman to make an annual report, or more frequently as requested, on the Ombudsman activities, findings, and recommendations based on the policy review. Requires the Ombudsman to provide an affected state higher education institution the opportunity to comment on draft reports and include the institution's comments in the final version of the report prior to publishing any report that contains a finding of non-compliance or recommendations concerning compliance with policies.

## **FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

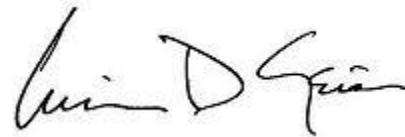
### **Increase State Expenditures - \$198,500**

Assumptions for the bill as amended:

- Based on information received from the Comptroller, the salary and benefits for the Ombudsman is estimated to be \$123,000.
- One other staff member will be hired at a cost of \$69,000 in salary and benefits.
- Expenditures for supplies, travel, training, and office equipment is estimated to be approximately \$6,500.
- The total recurring increase in state expenditures is estimated to be \$198,500 (\$123,000 + \$69,000 + \$6,500).

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Lucian D. Geise, Executive Director

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